

**CITY COUNCIL OF THE CITY OF SEAT PLEASANT**

**RESOLUTION R-20-02**

**Introduced by:** City Council

**Date Introduced:** August 15, 2019

**Amendments Adopted (if applicable):**

**Date Adopted:** August 15, 2019

**Date Effective:** August 15, 2019

**A RESOLUTION concerning**

**EXTENSION OF BOND ANTICIPATION NOTE FINANCING FOR  
CITY HALL AND PUBLIC WORKS FACILITY IMPROVEMENTS**

FOR the purpose of amending and supplementing Resolution R-18-03, adopted by the Council (the "Council") of The City of Seat Pleasant (the "City") on August 28, 2017 and effective on August 28, 2017 (the "2017 Resolution") and authorizing the extension of the maturity date of The City of Seat Pleasant Taxable Community Facilities Bond Anticipation Note of 2017, issued on September 14, 2017 in the original principal amount of \$4,100,000 (the "2017 Note"), from August 15, 2019 to August 15, 2020; authorizing officials of the City to take certain actions in connection with the extension of the maturity of the 2017 Note; providing for the payment by the City of fees and expenses of counsel to Branch Banking and Trust Company incurred in connection with the extension of the maturity of the 2017 Note; providing that the provisions of the 2017 Resolution will continue to apply to the 2017 Note, as so extended, except as otherwise provided herein; and generally relating to the extension of the maturity date of the 2017 Note.

**RECITALS**

**WHEREAS**, The City of Seat Pleasant, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act and the Bond Anticipation Note Act identified herein (the "City"), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the "Enabling Act"), and Sections C-817 and C-818 of the Charter of the City of Seat Pleasant, as replaced, supplemented or amended (the "Charter"), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds; and

**WHEREAS**, pursuant to Ordinance O-17-04, passed pursuant to the authority of the Enabling Act and Sections C-817 and C-818 of the Charter by the Council of the City (the "Council") on October 3, 2016, approved by the Mayor of the City (the "Mayor") on October 3,

2016 and effective on October 24, 2016 (“Ordinance O-17-04”), as amended and supplemented by Ordinance O-17-10, passed by the Council on November 14, 2016, approved by the Mayor on November 15, 2016 and effective on December 6, 2016 (collectively with Ordinance O-17-04, the “Ordinance”), the City authorized the issuance and sale from time to time, upon its full faith and credit, of general obligation bonds in an aggregate principal amount not to exceed Four Million One Hundred Thousand Dollars (\$4,100,000.00) (the “Authorized Bonds”); and

**WHEREAS**, the Ordinance provides that the proceeds of the sale of the Authorized Bonds are to be used and applied for the public purpose of financing, reimbursing or refinancing all or a portion of the cost of any one or more activities relating to the renovation, expansion and improvement of (i) the existing City Hall building located on the property known as 6301 Addison Road, Seat Pleasant, Maryland and (ii) the existing Public Works facility building located on the property known as 108 69<sup>th</sup> Street, Seat Pleasant, Maryland, and, in connection therewith, acquiring or paying for, as applicable, necessary property rights and equipment, related site and utility improvements (including, without limitation, paving, repaving, sidewalk, curb, gutter, water, sewer, drain and landscaping improvements), related architectural, planning, design, feasibility, engineering, bidding, permitting, demolition, removal, acquisition, construction, construction management, reconstruction, renovation, rehabilitation, expansion, improvement, installation and equipping expenses, costs of additional activities related to any of the foregoing, costs of issuance of any borrowing therefor, and, if the Council so determines by resolution, paying interest during construction and for a reasonable period thereafter (collectively, the “Project”); and

**WHEREAS**, the City applied to the United States Department of Agriculture, acting through the Rural Utilities Service or Rural Development (in either such case, “USDA”) and received commitment for a loan or loans to finance costs of the Project; and

**WHEREAS**, USDA loans typically are not made until the applicable project or component thereof is complete or substantially complete and are evidenced by the issuance by a borrower to the United States of America of its general obligation bond or bonds; and

**WHEREAS**, pursuant to the authority of Sections 19-211 to 19-223, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented and amended (the “Bond Anticipation Note Act”), and Section 7 of Ordinance O-17-04, the City, by resolution, was authorized to issue and sell from time to time, upon its full faith and credit, general obligation bond anticipation notes in one or more series in an aggregate principal amount not to exceed Four Million One Hundred Thousand Dollars (\$4,100,000.00) (the “Authorized Notes”) prior to and in anticipation of the sale of the Authorized Bonds in order to finance or reimburse costs of the Project on an interim basis; and

**WHEREAS**, pursuant to the authority of the Enabling Act, the Bond Anticipation Note Act, Sections C-817 and C-818 of the Charter, the Ordinance and Resolution R-18-03, adopted by the Council on August 28, 2017 and effective on August 28, 2017 (the “2017 Resolution”), the City, on September 14, 2017, issued and delivered to Branch Banking and Trust Company (the “Bank”), as a single series of the Authorized Notes, its The City of Seat Pleasant Taxable Community Facilities Bond Anticipation Note of 2017 in the original principal amount of Resolution R-20-02 Extension of Bond Anticipation Note

August 15, 2019

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\$4,100,000.00 (the “2017 Note”) in order to finance or reimburse Project costs on an interim basis; and

**WHEREAS**, principal of the 2017 Note matures by its terms and the terms of the 2017 Resolution on August 15, 2019, the 2017 Note bears interest at the per annum rate of 3.02%, payable on February 15 and August 15 in each year until maturity or prior prepayment in whole, commencing on February 15, 2018, and the 2017 Note is subject to prepayment *in whole only* as provided therein; and

**WHEREAS**, the Project has been delayed, and the Bank has agreed to extend the maturity date of the 2017 Note to August 15, 2020, and the City anticipates completing the Project and closing on the issuance of the Authorized Bonds by that date.

**SECTION 1. NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEAT PLEASANT that:**

(a) The Recitals to this Resolution are incorporated herein and deemed a substantive part of this Resolution. Capitalized terms used in the Sections of this Resolution and not otherwise defined herein shall have the meanings given to such terms in the Recitals.

(b) References in this Resolution to any official by title shall be deemed to refer (i) to any official authorized under the Charter, the code of ordinances of the City (the “City Code”), or other applicable law or authority to act in such titled official’s stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting capacity under the Charter, the City Code or other applicable law or authority, (iii) to any person who serves in a “deputy”, “associate” or “assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with the Charter, the City Code or other applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the City Code, the official, however known, who is charged under the Charter, the City Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

**SECTION 2. AND BE IT FURTHER RESOLVED** that the maturity date of the 2017 Note is hereby extended to August 15, 2020. All other terms and provisions of the 2017 Note, including (without limitation) the dates for payment of interest on the 2017 Note, the prepayment provisions of the 2017 Note, and the provisions of the 2017 Note relating to the mechanics of the payment of the principal of and interest on the 2017 Note and the prepayment of the same, shall be and remain unchanged. Interest on the 2017 Note shall continue to be payable on each February 15 and August 15 until maturity or prior prepayment in whole. References in the 2017 Resolution to the maturity date of the 2017 Note are hereby deemed amended and supplemented to mean the extended maturity date of August 15, 2020.

**SECTION 3. AND BE IT FURTHER RESOLVED** that in order to evidence the extension of the maturity date of the 2017 Note from August 15, 2019 to August 15, 2020, and as determined upon the advice of counsel, the City may deliver a new note to the Bank in exchange

for the 2017 Note, substantially in the form of the 2017 Note with such changes therein as are necessary in order to reflect extension of the maturity date of the 2017 Note, and executed on behalf of the City in the manner provided for in the 2017 Resolution, and/or the Mayor of the City (the "Mayor") may prepare or cause to be prepared, negotiate, execute and deliver on behalf of the City an allonge with or other instrument or document to the Bank evidencing the extension of the maturity date of the 2017 Note from August 15, 2019 to August 15, 2020. The City Clerk of the City (the "City Clerk") is hereby authorized and directed to attest as to the City seal on any such replacement note, allonge, instrument or document. Any such replacement note or allonge or other instrument or document reflecting the extension of the maturity date of the 2017 Note from August 15, 2019 to August 15, 2020 may have such dated date or dated as of date as counsel to the City and the Bank shall agree and the modifications to the 2017 Note provided for therein may be treated as effective as of August 15, 2019 even if such replacement note, allonge, instrument or document is executed and delivered at a later date.

**SECTION 4. AND BE IT FURTHER RESOLVED** that the Council expressly ratifies and confirms the covenants and agreements of the City contained in the 2017 Resolution (including, without limitation) in Section 12 (relating to payment of the 2017 Note and the pledge of the full faith and credit and unlimited taxing power of the City to the same) and the applicability of the same to the 2017 Note, as modified in accordance with the provisions of this Resolution.

**SECTION 5. AND BE IT FURTHER RESOLVED** that the City hereby acknowledges its obligation to, and agrees to, pay the fees and expenses of counsel to the Bank incurred in connection with the authorization and documentation of the extension of the maturity date of the 2017 Note.

**SECTION 6. AND BE IT FURTHER RESOLVED** that the appropriate officials and employees are hereby expressly authorized, empowered and directed to negotiate, approve, execute and deliver all closing documents, certificates or instruments necessary or appropriate in connection with the extension of the maturity date of the 2017 Note as provided for in this Resolution, with such representations or covenants contained therein or confirmed therein as the Bank may require, and to carry out the transactions contemplated by the 2017 Resolution, as amended and supplemented by this Resolution, and the 2017 Note, as modified as provided herein.

**SECTION 7. AND BE IT FURTHER RESOLVED** that the provisions of this Resolution shall be broadly construed in order to effectuate the extension of the maturity date of the 2017 Note from August 15, 2019 to August 15, 2020.

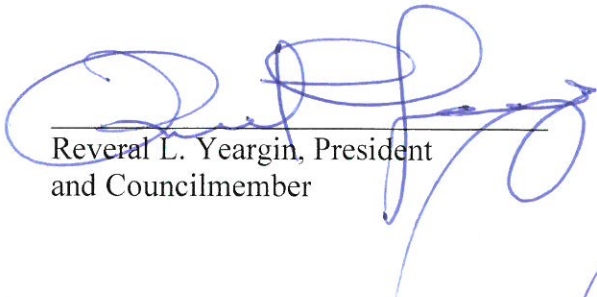
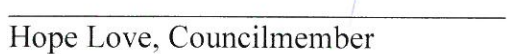
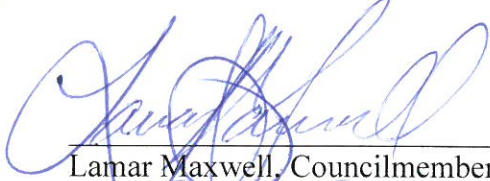
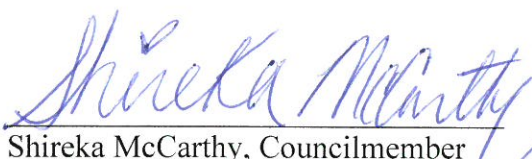
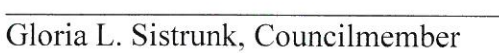
**SECTION 8. AND BE IT FURTHER RESOLVED** that the provisions of this Resolution shall be deemed to amend and supplement the provisions of the 2017 Resolution to the extent provided for herein. Provided that a replacement note or allonge or other instrument or document is delivered to the Bank as contemplated by Section 3 of this Resolution, references in the 2017 Resolution to the Note from and after such date or dated as of date of execution, delivery and acceptance of such replacement note, allonge or other instrument or document, shall be deemed to refer to the 2017 Note, as modified as provided for in this Resolution and in such



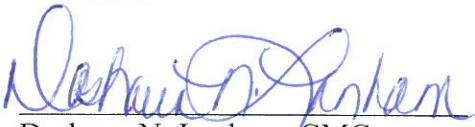
replacement note, allonge or other instrument or document, unless the context clearly requires otherwise.

**SECTION 9. AND BE IT FURTHER RESOLVED** that this Resolution shall become effective immediately upon its adoption.

**COUNCIL OF THE CITY OF SEAT PLEASANT**

  
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Reveral L. Yeargin, President  
and Councilmember  
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Charl Jones, Councilmember  
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Hope Love, Councilmember  
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Lamar Maxwell, Councilmember  
\_\_\_\_\_  
Shireka McCarthy, Councilmember  
\_\_\_\_\_  
Kelly Porter, Councilmember  
\_\_\_\_\_  
Gloria L. Sistrunk, Councilmember

**ATTEST:**

  
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Dashaun N. Lanham, CMC  
City Clerk

**EXPLANATION**

Underlining indicates additions to the Resolution by amendment  
~~Strike Out~~ indicates matter stricken from the Resolution by amendment

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